

July 10, 2002

Office of Economic Impact and Diversity A-76/Direct Conversion Plan

I. INTRODUCTION

The Office of Economic Impact and Diversity (ED) has 42 FTEs and a budget of 6.8 million to develop and execute Department of Energy (DOE) strategies for small business development, economic development, workforce opportunities, community outreach and involvement, socioeconomic research, and minority education institutions participation.

In support of DOE's competitive sourcing FY 02 competitive sourcing objectives, ED will execute a direct conversion in accordance with Office of Management and Budget's Circular A-76 for eight FTE. The affected eight FTEs are EEO specialists performing counseling, investigations, alternative dispute resolution, and other related tasks associated with the 260 job series. All of the affected workers and workload are centrally located at DOE's headquarters in Washington, DC. Initial analysis indicates that these services provided by the affected eight FTEs can be obtained from the private sector at a reasonable market value. The direct conversion will be executed unless saving or significantly improved services can be obtained.

II. VISION

The direct conversion of the workload associated with the affected positions should be accomplished within 6-8 months. Additional FTEs should not be impacted by the direct conversion.

III. OBJECTIVES

ED's objectives in executing the direct conversion is to obtain efficiencies and savings while continuing to accomplish the mission of the Office of Civil Rights. Key missions of the Office of Civil Rights are:

Equal Employment Opportunity Division which is responsible for all aspects of the Equal Employment Opportunity complaint processing system.

Diversity Division which is responsible for DOE compliance with Titles VI and XI "Federally Assisted Programs – contractor oversight"; FOIA; and Special Emphasis Program.

V. ROLES AND RESPONSIBILITIES (see Attachment E for Organization Chart)

ED has six team members: (1) The Team Leader who will direct the strategy of work; (2) Study Leader who will serve as the Contracting Officer's Technical Representative and manage the day-to-day executions of the direct conversion; (3) Study coordinator who will serve as alternate to study leader; (4) Contracting Officer who will be responsible for solicitation and source selection; (5) Contracting Officer's Representative who will be responsible for contractual supervision of the consultants; and (6) Human Resources Office Representative who is responsible for providing the affected workers with information regarding transition from their present jobs.

1. **Functional Team Chief**
 - Overall responsibility and accountability for Civil Rights Direct Conversion Study
 - Providing periodic updates to the Executive Steering Group
 - Establishing and maintain contact with Senior Management
 - Providing overall strategic guidance
 - Approving the PWS/Solicitation
 - Serving as a subject matter expert on issues pertaining to EEO

2. **A-76 Study Team Leader**
 - Working with Functional Team Chief to keep him informed of relevant issues associated with the Study
 - Serving as Technical Monitor for the study
 - Ensuring overall direct conversion project milestones met

3. **Study Coordinator**
 - Serving as an alternative to the Study Team Leader

4. **Contracting Officer**
 - Assist with the development of the business strategy and preparation of the Acquisition Plan
 - Review the source selection plan approved for Federal Acquisition Regulation (FAR) compliance
 - Prepare the solicitation and submit for review and approval by the SSA
 - Ensure that the proposing activity's cost and price proposals are made available to the technical and management evaluation panels
 - Provide the TEP the evaluation of reasonableness of each offeror's proposed price
 - Recommend the competitive range and determine which proposals are in the competitive range to the SSA
 - Obtain all required reviews and approvals, with the exception of Congressional notification, before the final briefing to the SSA for the final selection decision

5. **Contracting Officer Representative**

Coordinates with prime and subcontractors for task assignments and completion
Coordinates with Contracting Officer for documentation to prepare solicitation

6. **Human Resource Representative**

Assist in continuing performance during the review
Create a list of vacancies and other opportunities for potential placement during the transition period
Eliminate grade creep
Provide flexibility in classification to allow multi-skilled positions
Provide flexibility in compensation to allowed improved incentives
Resolve conflicts between Reduction in Force (RIF) schedules, procurement scheduled, and the need for quick and smooth transitions
Assist in eliminating one-time related personnel costs without using mock RIF's

VI. TRAINING REQUIREMENTS FOR TEAM MEMBERS

All appropriate A-76 training will be made available to team members, including the A-76 training; COR training; and in particular Performance Work Statement (PWS) training. The Study Team Leader will be attending A-76 training at the Department's Annual Training Conference in Albuquerque, New Mexico in August 2002. Also, the Study Team Leader and Study Team Coordinator will attend the A-76 Competitive Sourcing Conference at the Department of Interior on July 23, 2002.

VII. WORKFORCE

The direct conversion consists of 8 FTEs. To reduce the severity of the impact on affected employees, the Office is researching the potential for buyouts and early outs. The current thinking is to obtain authorization to offer buyouts through December 31, 2002, and early outs through September 30, 2003. Buyouts of up to \$25,000 (minus applicable federal and state taxes) or the amount of severance pay to which an employee is entitled may be afforded.

In addition, the personnel affected by the study (i.e., those in positions identified for study as well as those who may be affected in any related workforce restructuring action) have been notified and provided access to related Departmental web sites and frequently asked questions and answers, and will be provided copies of this report once approved. Since some adverse impacts upon the workforce may be expected to result from this study, we will assure that Human Resources offices serving the affected workforce are engaged early, and that they provide initial and ongoing briefings to employees to explain the various assistance programs available to them.

Other options include retirement for those eligible; attrition through employees seeking other employment or through other means; possible change in series for affected employees whose duties do not fall exclusively within the series impacted.

VIII. COMMUNICATIONS

The following communication strategy will be employed for the affected eight FTEs of the Office of Economic Impact and Diversity.

Affected employees and their office supervision. We will hold monthly meeting with all employees affected by the study. At these meetings we will provide status on the progress of the study, discuss planned actions and milestones, and provide a forum for resolution or clarification of issues and concerns. Such meetings will allow employees to ask questions and express concerns. Any questions/issues we cannot answer at these meetings will be raised to the Steering Committee for answers and/or solutions.

Headquarters Office of Competitive Sourcing. Continual communication between the ED Study Team and the Headquarters Office of Competitive Sourcing will continue throughout the duration the study.

IX. REQUIREMENTS

ED will require some consulting support because the team members have other job requirements which do not allow them to be utilized full time on this project. The Team Leader will probably spend approximately 10% of his time on this project; the Study Leader will probably spend approximately 20% of her time on this project; and the Study Coordinator will probably spend 10% of her time.

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|---------------------------------|---|
| C Budget requirements: | Approximately \$20,000, not counting the salaries for team members. |
| C Travel requirements: | None |
| C Training requirements: | Approximately \$1,000 |

X. RISK

The Office of Economic Impact and Diversity is committed to dedicating the most experienced and capable DOE ED professionals to the study.

Because the EEO area is sensitive in nature, there is potential for controversy and issuance of formal complaints. This may be mitigated through continuous open communications throughout the process, as well as the good faith effort management is offering through buyouts and early outs (if approved). ED does not anticipate any disruptions to the continuity of operations. All employees affected by the direct conversion are either retirement eligible, or very close to retirement eligible. Other than issues with morale and emotions, for with we will

offer employee assistance counseling, ED does not expect any adverse impact, either programmatically or monetarily.

There is a risk of employees retiring, transferring, or resigning from ED prior to the study being complete and creating backlog or the capability to perform the ED mission. This risk can be mitigated with the use of temporary employees, transferring work to other sections or employees.

ACTION PLAN

Step 1. Prepare for the Study

Team Leader: Frank Beserra, Chief of Staff, ED

Study Leader: Myrna Turturro, Management Info. Officer, ED

Study Coordinator: Effie Young, Minority Information Specialist, ED

Prepare Organization for change, including customers

Schedule an ED-wide meeting no later than **July 18, 2002**, to discuss the process to be followed and potential impacts.

Team Leader and Director ED must make decision whether to do a quick direct conversion or a modified conversion.

Step 2: Determine the Requirements

Complete list of current targeted positions plus any additional positions identified should be available no later than **May 15, 2002**.

Define the unit of measurement utilized for targeted position. All positions should be measured by salary per hour and/or salary per annum.

Determine what records (automated reports, work order files, logs, etc.) Will provide detail on the volume required per year.

The contractor shall meet with all affected employees, supervisors and managers between **August 1 and September 2**, to determine volume of work for each targeted position.

Review results of records study. The Team Leader will review the results of the records study to ensure all actions are completed and appropriate documentation is provided. Team Leader and the Director, ED, will approve documentation and assure that it is filed appropriately for the purpose of an audit trail. Final approval of this task is scheduled for **August 30, 2002**.

Step 3: Conduct a Local Market Review

Upon direction from the Team Leader, the Contractor shall conduct a market review of current or recently expired contracts in the local area to provide insight into the type of services available commercially. A minimum of three, but no more than four suppliers must

be reviewed for essential costing information. Contractor may perform two types of market reviews:

Collecting existing or recently expired contracts; or
Interview” local area suppliers (use a mileage radius that is within a reasonable business commuting distance so pricing information is representative of the area).

Contractor must document all sources investigated and meet with the Contracting Officer and/or functional personnel to identify potential commercial suppliers.

DOE Contracting Officer will issue an “Inquiry As to the Availability of Offerors” in the Commerce Business Daily (CBD) if sources of potential suppliers are not readily apparent.

Contractor shall prepare a list of questions to be asked during interview process to assure that the necessary information is collected.

Once the potential suppliers have been chosen, the contractor will conduct an interview with the supplier to gather facts.

The entire process for conducting local market reviews should take no longer than 45 days (unless a CBD is required). This process should be completed no later than **September 16, 2002**.

Step 4: Execute the Cost Analysis (October 15 - November 15, 2002)

In-House Personnel (Labor) Costs: The contractor will consult with the Team Leader and the Budget Officer for ED to determine all personnel costs associated with target positions. The current costs of all direct in-house labor and supervision that are necessary to perform the service should be documented. Costs associated with civilian positions will be determined according to the guidelines in OMB Circular A-76 Revised Supplemental Handbook. The personnel costs in the mini cost analysis will include salaries and wages, and fringe benefits. Also, inflation factors must be applied.

In-House Material Costs: Contractor will obtain material costs by obtaining historical records from the past year that indicate the cost of materials for the function. Contractor will record the sources of the material information for any future questions regarding the material costs.

In-House Overhead: After completing the calculations of the personnel and materials costs, the overhead costs will be applied. The overhead costs consist of salaries, equipment, space and other activities related to management, accounting, personnel, data processing, and similar common services performed outside the function, but in direct support of the function. The contractor will apply the overhead rate of 12% as referenced in OMB Circular A-76 Revised Supplemental Handbook, Part II, Chapter 2, Section E.

Contract Costing: After completing the market review process, a competitive range of costs can be established to use for the cost comparison. If there are current comparable contracts in place, the contractor will use those bids for estimated costs. If not, the rates, unit of measure and other information gathered from interviewing local suppliers will provide the necessary information to estimate the contract costs for the services.

Contract Administration Costs: If the function goes to contract, the costs associated with administering the contract will be incurred and must be calculated. The OMB Circular A-76 Revised Supplemental Handbook, Part II, Chapter 32, Section C authorizes .5 administrative position for a 10 and Under Study. The contractor will work with the

personnel office to obtain guidance for the classification for the authorized position based on duties and responsibilities appropriate to the function.

Step 5: Perform Cost Comparison and Announce Decision (September 23-October 7, 2002)

Contractor will arrange estimated costs into contract cost range.

Contractor and Team Leader will review estimated costs.

If the in-house costs fall below the contract range, the function should remain in-house.

If the in-house costs fall above the contract range, the function should be converted to contract.

If the in-house costs fall within the contract range, the answers to the following questions should be the basis for determining between keeping the function in-house or going outside via contract:

- ' Has the in-house function historically provide quality service or a quality product to its customers? If so, consideration should be given to keeping the function in-house.
- ' Has the in-house function historically had problems maintaining quality personnel? If the in-house function has a rather frequent turnover of employees or the quality of services provided has been poor, consider contracting the function.
- ' Has the in-house function historically had problems providing the service?
- ' If the service is not efficiently being provided to the customer, consider contracting the function.

Step 6: Transition to Contract

The DOE Contracting Officer announces the decision to remain in-house or to contract the functions.

If the decision is to convert to contract, the solicitation process as it pertains to commercial activity studies is started.

The contracting officer along with the Team Leader will determine the type of contract to use for the solicitation.

When the solicitation is issued, the performance start date must be integrated into the transition plan developed in Step 7.

Step 7: Transition to Contract

Team Leader in conjunction with the contractor develops a transition plan. Transition plan must identify the contract start date.

A-76 Study Team Participants

A-76 Study Team Role	Participants Name	A-76 Activity Assigned	Phone Number/ Fax Number	E-mail Address
A-76 Management				
Functional Team Chief	Frank Beserra	Direct Conversion GS-260	202-586-1516	Frank.beserra@hq.doe.gov
A-76 Coordinator	Myrna Turturro		202-586-4676	Myrna.turturro@hq.doe.gov
A-76 Alternate Coordinator	Effie (Ann) Young		202-586-4876	ann.young@hq.doe.gov
A-76 Core Team				
A-76 Team Leader	Frank Beserra			
A-76 Team Members (Add rows as required)	Myrna Turturro			
	Effie (Ann) Young			
A-76 Points of Contact				
Contract Officer/ Representatives	Craig Frame		202-287-1463	Craig.frame@hq.doe.gov
General Counsel	Maryann Shebek Prentice Cook		202-586-1519	Maryann.shebek@hq.doe.gov Prentice.cook@hq.doe.gov
Public Affairs Office	Alphonso Aguilar		202-586-4940	Alphonso.aguilar@hq.doe.gov
Human Resources	Claudia Cross Bob Keener		202-586-4940 202-586-1542	Claudia.cross@hq.doe.gov Robert.keener@hq.doe.gov
Security				
Inspector General				
Certifying Official				
SSEB Members				
IRO Personnel				
Functional POC's (Add rows as required)				

Consultant Support (Add rows as required)				
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Attachment C

A-76 Direct Conversion Tentative Milestones

Process Step	Start Date	Completion Date
Step 1: Plan for the direct Conversion	18 Jul 02	8 Aug 02
Establish project schedule and milestones		
Determine roles and responsibilities		
Step 2: Determine the Requirements	1 Aug 02	2 Sept 02
Collect current service requirements and workload data		
Conduct stakeholder analysis		
Project future service requirements and workload		
Step 3: Conduct a Local Market Review	26 Aug 02	16 Sept 02
Step 4: Estimate the governments Costs	2 Sept 02	16 Sept 02
Step 5: Estimate Industry's Costs	9 Sept 02	23 Sept 02
Step 6: Perform Cost Comparison and Announce Decision	23 Sept 02	7 Oct 02
Step 7: Develop PWS and QASP	17 Sept 02	15 Oct 02
Develop performance requirements standards		
Identify quality assurance methodology		
Develop technical exhibits		
PWS and QASP Draft #1	17 Sept 02	1 Oct 02
PWS and QASP Final	17 Sept 02	15 Oct 02
Step 8: Obtain High Level Review of PWS and QASP	15 Sept 02	29 Oct 02
Step 9: Prepare Transition Plan	21 Oct 02	15 Nov 02
Step 10: Prepare and Issue Solicitation	9 Aug 02	1 Nov 02
Conduct Pre-solicitation actions		
Conduct Independent Government Estimate		
Develop Source Selection Plan		
Step 11: Evaluate Proposals and make Award	29 Nov 02	20 Dec 02

Initial Action Milestones

Initial Activity	Date
Identify A-76 Team Participants:	May 1, 2002
A-76 Management	May 1, 2002
A-76 Core Team	May 1, 2002
A-76 Points of Contact	May 1, 2002
Develop Initial Study Plan	May 15, 2002
Communications Strategy:	
Develop Communications Plan	June 30, 2002
Brief Senior Leadership	July 10, 2002
Brief Workforce, Unions, Stakeholders, Customers	July 18, 2002
Attend A-76 Training:	July 23, 2002
Executive Overview	
Initial A-76 Team Training	
Workforce Orientation	
Package Studies	
Obtain Consultant Support	July 15, 2002

Roles and Responsibilities

The following high level organizational chart shows the Office of Economic Impact and Diversity’s Study Management Team Structure.



